

Service Date: November 30, 1982

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of	)	
THE MOUNTAIN STATES TELEPHONE AND	)	UTILITY DIVISION
TELEGRAPH COMPANY (MOUNTAIN BELL)	)	
for Authority to Establish Rates	)	DOCKET NO. 82.11.73
and For Approval of Generic Cost	)	
and Rate Design Methodology in Con-	)	INTERIM ORDER NO. 4950
nection with the Implementation of	)	
its Comprehensive Rural Telephone	)	
Improvement Program (RTIP).	)	

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FINDING OF FACT

1. On November 1, 1982, Mountain Bell filed its Application for Authority to Establish Rates and for Approval of Generic Costs and Rate Design Methodology in connection with the implementation of the Comprehensive Rural Telephone Improvement Program (RTIP).
2. Concurrent with the filing of the Application, Mountain Bell filed its Verified Application for Interim Relief pursuant to 69-3-304, MCA, and the Commission rules A.R.M. 38.5.501, et seq., which address the granting of interim relief by the Commission.
3. The Verified Application of Mountain Bell seeks approval of cost methodology in connection with the first year implementation of the Rural Telephone Improvement Program.

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The Company requested additional annual revenues associated with the first year implementation of \$2.958 million.

4. The Application for Interim Relief requests rates calculated to cover a revenue requirement in the amount of \$1.647 million, such revenue required as a consequence of RTIP construction and implementation in 1982 pursuant to a methodology agreed to and stipulated among and between Mountain Bell Montana Consumer Counsel, and the staff of the Montana Public Service Commission.

5. Concurrent with the filing of the application, herein, Mountain Bell submitted a stipulation of the parties hereto concerning the appropriate methodology for interim relief purposes.

6. The Commission finds that the stipulation of methodology entered among and between Mountain Bell, Montana Consumer Counsel, and the staff of the Commission is reasonable.

7. The Commission finds that the Rural Telephone Improvement Program in Montana is indeed a unique situation and, as such, has in previous orders reflected this finding. See: Order No. 4839 bearing service date September 23, 1981.

8. Section 69-3-304, MCA, and A.R.M. 38.5.501 et seq., specifically authorize this Commission to temporarily approve increases in rates subject to rebate pending a hearing or final decision.

9. The Commission finds that the sum of \$1.674 million developed pursuant to the stipulated methodology of the parties

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constitutes increased costs to Mountain Bell, caused solely by implementation of the Rural Telephone Improvement Program, justifying the granting of interim relief prior to hearing.

10. The Commission further finds that the proposed methodology for rate increase and rate treatment can be calculated precisely to match the known increased expenditures, and that the known expenditures which are the subject of Mountain Bell's Application for Interim Relief have resulted in connection with the Rural Telephone Improvement Program through and including September 30, 1982.

11. The Commission finds that Mountain Bell is entitled to interim rate relief in the amount of \$1.647 million.

12. The Commission finds the RTIP rate design stipulation (See Exhibit 1, page 12) reasonable with the exception of the exclusion of four- and eight-party exchange service from the interim increases. The Commission finds that the \$1.647 million interim increase shall be reflected in rates by applying a uniform percentage increase to the exchange services rates -including four- and eight-party -- resulting from Order No. 4948.

13. The interim relief found appropriate in this Order is subject to rebate should the Commission find a lesser amount of relief be justified in its Final Order. Any such rebate shall include interest applied at .14.03% per annum.

CONCLUSIONS OF LAW

1. Applicant, The Mountain States Telephone and Telegraph

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Company is a corporation providing telephone and other communications services within the State of Montana and as such is a "public utility" within the meaning of 69-3-101, MCA.

2. Montana Public Service Commission properly exercises its jurisdiction over the Applicant's Montana operations pursuant to Title 69, Chapter 3, MCA.

3. Section 69-3-304, MCA, provides in part, "the Commission may, in its discretion, temporarily approve increase pending a hearing or final decision."

4. The rate levels and spread approved herein are a reasonable means of providing interim relief to Mountain Bell. The rebate provisions of 69-3-304, MCA, protect ratepayers in the event any revenue increase authorized by this Order are found to be unjustified in the Final Order in this Docket.

ORDER

THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Applicant, Mountain Bell, is hereby granted interim rate relief in the amount of \$1.647 million on an annual basis.

2. Mountain Bell is authorized to file tariffs repricing its basic exchange access service offerings to the degree necessary to generate \$1.647 million in additional annual revenues. Tariffs will be effective upon approval by this Commission.

3. Interim revenues granted herein are subject to rebate should the Final Order in this Docket determine that a lesser increase is warranted. Such rebate will include interest at 14.03% per annum.

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DONE IN OPEN SESSION this 29<sup>th</sup> day of November, 1982, by a vote of 5-0.

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BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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GORDON E. BOLLINGER, Chairman

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JOHN B. DRISCOLL, Commissioner

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HOWARD L. ELLIS, Commissioner

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CLYDE JARVIS, Commissioner

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THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Madeline L. Cottrill  
Commission Secretary

(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion for Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, csp. Sec. 2-4-702, MCA; and Commission Rules of Practice and Procedure, esp. 3S.2.4805 ARM.